

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the amendment by striking out everything after the first indented paragraph after the title and inserting the following:

**'RESOLUTION, Proposing an Amendment to the
Constitution of Maine To Eliminate the Income Tax'**

Amend the resolution by striking out all of Parts A, B and C and inserting the following:

Constitution, Art. IX, §§24 and 25 are enacted to read:

Section 24. Income tax rate reduction. Taxes on personal income in this State may not exceed the following.

. **1. Maximum rates.** Maximum income tax rates on individuals may not exceed the following amounts.

A. For income tax years beginning in 2008, the maximum rate of tax is 6%.

B. For income tax years beginning in 2009, the maximum rate of tax is 5%.

C. For income tax years beginning in 2010, the maximum rate of tax is 4%.

D. For income tax years beginning in 2011, the maximum rate of tax is 3%.

E. For income tax years beginning in 2012, the maximum rate of tax is 2%.

F. For income tax years beginning in 2013, the maximum rate of tax is 1%.

G. For income tax years beginning in 2014, the maximum rate of tax is 0%.

. **2. Exemption amount.** In addition to any other exemptions and deductions permitted by law, individuals filing married joint income tax returns are entitled to the following exemptions. Persons filing as single taxpayers are entitled to exemptions equal to 50% of the following amounts. Persons filing as heads of household are entitled to exemptions equal to 75% of the following amounts.

A. For income tax years beginning in 2008, the exemption amount is \$8,000.

B. For income tax years beginning in 2009, the exemption amount is \$10,000.

C. For income tax years beginning in 2010, the exemption amount is \$12,000.

D. For income tax years beginning in 2011, the exemption amount is \$16,000.

. **3. Implementation.** The Legislature shall enact legislation to implement this section.

Section 25. Sales tax rebate. A Maine resident is entitled to a rebate of \$100 per year in 2008 and 2009 for sales tax paid by that resident in those years.

; and be it further

Constitutional referendum procedure; form of question; effective date.

Resolved: That the municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, at a statewide election on the Tuesday following the first Monday of November following the passage of this resolution, to vote upon the ratification of the amendment proposed in this resolution by voting upon the following question:

“Do you favor amending the Constitution of Maine to lower and eliminate the Maine individual income tax over a 7-year period and provide a sales tax rebate in 2008 and 2009?”

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within the corresponding square below the word “Yes” or “No.” The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if it appears that a majority of the legal votes are cast in favor of the amendment, the Governor shall proclaim that fact without delay and the amendment becomes part of the Constitution of Maine on the date of the proclamation; and be it further

Secretary of State shall prepare ballots. Resolved: That the Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this resolution necessary to carry out the purposes of this referendum.

SUMMARY

This constitutional resolution establishes a timetable for phasing in an elimination of the Maine individual income tax over a period of 7 years. It also phases in an income tax exemption of up to \$16,000. It provides a sales tax rebate of \$100 per person per year for sales taxes paid by Maine residents in 2008 and 2009.